REMARKS

<u>Claim Status</u>

Claims 9-14 and 25-35 are now pending in the present application. Claims 15-22, 28 and 29 have been canceled herein without prejudice and without disclaimer of the subject matter recited therein. We reserve the right to prosecute these claims in one or more continuing applications.

Claim 23 has also been canceled without prejudice; we expressly traverse the rejection of claim 23. Claims 25 and 26 have been amended in independent form and generally recite the features of now canceled claim 23. Claims 25 and 26 have been broadened in some regards, e.g., with the change of "software code" to –watermark decoder–. A watermark decoder can be realized with software, hardware, software/hardware and/or firmware, etc. (see, e.g., the specification at paragraph 59). A gatekeeper includes or communicates with the watermark decoder.

Claims 30-35 are newly presented and find ample support in the application. For example, new claim 30 generally corresponds to claim 27; new claims 31 and 32 generally correspond to now canceled claim 24; new claims 33 and 34 find support throughout the application as filed, e.g., paragraphs 49-54; and new claim 35 find support throughout the application as filed, e.g., Figs. 2 and 3, paragraphs 32-40.

Claim 9 has been amended without prejudice and without forfeiture of equivalent arrangements. The scope of claim 9 has been directed to an alternative aspect of the invention. Claim 9 has also been broadened in some regards, e.g., by removing the requirement that steganographic embedding need be digital watermarking, and changing "created" to –provided–, etc.

<u>Art-based Rejections</u>

Claim 9

Claim 9 stands rejected as being anticipated by U.S. Patent No. 6,141,753 (hereafter referred to as "Zhao"). We expressly traverse this rejection.

We also note that Zhao does not teach a combination as presently recited in claim 9. For example, currently amended claim 9 provides a steganographically embedded

second image to an image database for storage. The database includes a first image stored therein, from which the second image is derived. Each of the first image and the second image has first and second identifiers steganographically embedded therein, respectively. The image database associates the second identifier with the first identifier so as to associate the first image and the second image.

In contrast, the relied upon Zhao passage suggests that a second _image_ is associated with a first _watermark_ because the second image has the first watermarked embedded within it (see the subject office action at page 3, third paragraph), and not of associating first and second images.

We respectfully request that claim 9 be allowed.

Claim 25

Claim 25 stands rejected as being anticipated by U.S. Patent No. 6,233,684 (hereafter refered to as "Stefik"). We expressly traverse this rejection.

We also note that Stefik does not teach a combination as presently recited in claim 25. For example, currently amended claim 25 recites a gatekeeper including or communicating with a digital watermark decoder. The decoder decodes a digital watermark to determine the first identifier, and then interrogates a database with the first identifier to retrieve a security level.

In contrast, the relied upon language from Stefik suggests that a decoded watermark is used merely to identify who and where an unauthorized reproduction came from (see the subject office action on pages 11 and 12 under "Claim 25"), but not to retrieve a security level in combination with other features of claim 25.

We respectfully request that claim 25 be allowed.

Claim 26

Claim 26 stands rejected as being anticipated by Stefik. We expressly traverse this rejection.

We also note that Stefik does not teach a combination as presently recited in claim 26. For example, currently amended claim 26 recites a first image including a first digital watermark embedded therein. The first digital watermark includes security level data. A

gatekeeper includes or communicates with a digital watermark decoder to decode the digital watermark to determine the security level data.

In contrast, the relied upon language from Stefik appears to focus on encryption or scrambling (see the subject office action on page 12 under "Claim 26"), and not on watermark information including security level data in combination with other features of claim 25.

We respectfully request that claim 26 be allowed.

New Claim 35

Claim 35 recites an apparatus that is loosely related to claim 9. The claim recites an apparatus including electronic processing circuitry and memory. The memory includes records stored therein. The records include a plurality of images, including a first image and a second image. The first image includes a first identifier steganographically embedded therein, and the second image includes a second identifier steganographically embedded therein. The second image is derived from the first image. The second identifier is associated with the first identifier so that the first image and the second image are associated with one another.

The applied art is not understood to teach or suggest such a combination.

Favorable consideration is requested.

Information Disclosure Statement

An Information Disclosure Statement is filed concurrently herewith. We also understand that all of the information considered in our parent application, application no. 09/800,093, will also be considered in this application as well. Please see MPEP 609.

Conclusion

We respectfully request an early notice of allowance. The Examiner is invited to contact the undersigned at 503-469-4685 if any issue remains.

Date: October 5, 2004   Respectfully submitted,
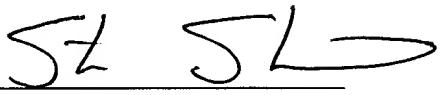
Customer No. 23735   DIGIMARC CORPORATION

Phone: 503-469-4800
FAX: 503-469-4777

By_____
Steven W. Stewart
Reg. No. 45,133